

§ 801.7 Examples.

(a) The rules of § 801.3 are illustrated by the following examples:

Example 1. (i) Each year Division A's Examination and Collection functions develop detailed workplans that set goals for specific activities (e.g., number of audits or accounts closed) and for other quantity measures such as cases started, cycle time, overage cases, and direct examination time. These quantity measure goals are developed nationally and by Area Office based on budget allocations, available resources, historical experience, and planned improvements. These plans also include information on measures of quality, customer satisfaction, and employee satisfaction. Results are updated monthly to reflect how each organizational unit is progressing against its workplan, and this information is shared with all levels of management.

(ii) Although specific workplans are not developed at the Territory level, Headquarters management expects the Area Directors to use the information in the Area plans to guide the activity in their Territories. For 2005, Area Office 1's workplan has a goal to close 1,000 examinations of small business corporations and 120,000 taxpayer delinquent accounts (TDAs), and there are 10 Exam Territories and 12 Collection Territories in Area Office 1. While taking into account the mix and priority of workload, and available staffing and grade levels, the Examination Area Director communicates to the Territory Managers the expectation that, on average, each Territory should plan to close about 100 cases. The Collection Area Director similarly communicates to each Territory the expectation that, on average, they will close about 10,000 TDAs, subject to similar factors of workload mix and staffing.

(iii) Similar communications then occur at the next level of management between Territory Managers and their Group Managers, and between Group Managers and their employees. These communications will emphasize the overall goals of the organization and each employee's role in meeting those goals. The communications will include expecta-

tions regarding the average number of case closures that would have to occur to reach those goals, taking into account the fact that each employee's actual closures will vary based upon the facts and circumstances of specific cases.

(iv) Setting these quantity measure goals, and the communication of those goals, is permissible because case closures are a quantity measure. Case closures are an example of outcome-neutral production data that does not specify the outcome of any specific case such as the amount assessed or collected.

Example 2. In conducting a performance evaluation, a supervisor is permitted to take into consideration information the supervisor has developed showing that the employee failed to propose an appropriate adjustment to tax liability in one of the cases the employee examined, provided that information is derived from a review of the work done on the case. All information derived from such a review of individual cases handled by the employee, including time expended, issues raised, and enforcement outcomes reached should be considered and discussed with the employee and used in evaluating the employee.

Example 3. When assigning a case, a supervisor is permitted to discuss with the employee the merits, issues, and development of techniques of the case based upon a review of the case file.

Example 4. A supervisor is not permitted to establish a goal for proposed adjustments in a future examination.

(b) [Reserved]

[T.D. 9227, 70 FR 60215, Oct. 17, 2005. Redesignated and amended by T.D. 9426, 73 FR 60628, Oct. 14, 2008]

§ 801.8 Effective/applicability dates.

The provisions of §§ 801.1 through 801.7 apply on or after October 17, 2005.

[T.D. 9426, 73 FR 60628, Oct. 14, 2008]

PARTS 802–899 [RESERVED]